

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of PENALTY  
ASSESSMENT AGAINST ADVANCE  
RELOCATION EXPERT, LLC, D/B/A  
A.R.E., in the amount of \$2,100

DOCKET NO. UT-051608

COMMISSION STAFF'S  
RESPONSE TO ADVANCE  
RELOCATION EXPERT'S  
APPLICATION FOR  
MITIGATION

1 Pursuant to WAC 480-07-370(1)(c), Commission Staff submits this  
response to Advance Relocation Expert's Application for Mitigation.

**I. BACKGROUND**

2 The Washington Utilities and Transportation Commission (Commission)  
assessed penalties totaling \$2,100 against Advance Relocation Experts (Advance  
Relocation) in a Notice of Penalties Incurred served on November 1, 2005. The  
penalties were assessed for 21 alleged violations of various provisions of chapter  
480-15 WAC and Commission Tariff 15-A, which prescribe Commission rules  
applicable to household goods carriers. On November 8, 2005, Advance  
Relocation filed an Application for Mitigation of Penalties (Application).

3 Advance Relocation operates in Washington as a household goods carrier  
under Permit No. hg60330. For 2004, Advance Relocation reported gross  
intrastate operating revenues of approximately \$51,000.<sup>1</sup>

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<sup>1</sup> Declaration of Betty Young, Attachment B (Post-Audit Review of the Business Practices of Advance Relocation Expert, LLC d/b/a A.R.E.) at page 7.

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In June of 2004, Business Practices Investigations Staff (Staff) began an audit of Advance Relocation’s business practices.<sup>2</sup> This audit culminated in a February 2005 report titled “Business Practices Audit Report of Advance Relocation Expert, LLC, d/b/a A.R.E. f/k/a Northwest Relocating Systems, LLC.”<sup>3</sup> In that report, Staff outlined each area in which Advance Relocation’s business practices failed to comply with state laws and recommended actions to bring Advance Relocation into compliance.<sup>4</sup> Advance Relocation submitted a compliance plan, and Staff provided technical assistance to help Advance Relocation implement its plan.<sup>5</sup> Commencing in August of 2005, Staff conducted a follow-up audit.<sup>6</sup> The audit indicated that Advance Relocation was out of compliance with a substantial number of Commission rules and tariff items.<sup>7</sup> In October of 2005, Staff documented the results of this audit in a report titled “2005 Post-Audit Review of the Business Practices of Advance Relocation Expert, LLC, d/b/a A.R.E.”<sup>8</sup>

## II. ARGUMENT

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In its Application for Mitigation of Penalties, Advance Relocation argues for waiver of penalties, asks for additional technical assistance to help it achieve

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<sup>2</sup> Declaration of Betty Young, Attachment B at page 7.

<sup>3</sup> Declaration of Betty Young, Attachment A.

<sup>4</sup> *Id.* at ¶ 11.

<sup>5</sup> Declaration of Betty Young, Attachment B at page 7.

<sup>6</sup> *Id.*, Attachment B at page 7.

<sup>7</sup> Declaration of Betty Young at ¶7.

<sup>8</sup> Declaration of Betty Young at ¶5 and Attachment B at page 7.

compliance, and disputes the basis of the penalty assessment in one area.<sup>9</sup> Staff opposes waiving or mitigating any of the assessed penalties.

**A. The Penalties Assessed Concerning Conducting Operations Under Name on Permit Are Appropriate.**

6 In its Application for Mitigation of Penalties, Advance Relocation, on the issue of the company's failure to conduct operations under the name shown on the company's household goods permit, requests that the penalty be waived and the company be given an opportunity to "contact the business licensing dept to order name change."<sup>10</sup>

7 The penalty incurred for these violations should not be mitigated. On March 24, 2005, in a letter from Staff, Advance Relocation was notified of the requirement to conduct operations under the name shown on the company's permit.<sup>11</sup> Advance Relocation responded on March 29, 2005, stating that the company would be in compliance with this issue by May 2005.<sup>12</sup> Advance Relocation has had eight months in which to address the spelling of the company's name. Consequently, the penalties associated with this matter are appropriate.

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<sup>9</sup> Application for Mitigation of Penalties

<sup>10</sup> Application at ¶1.

<sup>11</sup> Declaration of Betty Young, Attachment B at Appendix C.

<sup>12</sup> *Id.*, Attachment B at Appendix D.

**B. The Penalty Assessed Concerning the Remarks Section of the Non-Binding Estimate Form Is Appropriate.**

8 In its Application, Advance Relocation, on the issue of the remarks section on the non-binding estimate form, states that if the missing section can be highlighted, the company will make the correction.<sup>13</sup>

9 This penalty is appropriate. In March 2005, Staff provided Advance Relocation with an audit report that identified specific areas of non-compliance with Commission rules, along with recommendations for coming into compliance in each area.<sup>14</sup> The issue of the required remarks section for estimates was addressed in Staff's audit report.<sup>15</sup> In its response on March 29, 2005, Advance Relocation stated that the company had "reviewed tariff 15a item85 and found the error and promises to reprint..." and gave an estimated completion date of May 2005.<sup>16</sup> At the time of Staff's post-audit review, Advance Relocation had revised its binding and supplemental estimate forms to include the required section for remarks, but had not revised the non-binding estimate form. Therefore, the penalty should not be mitigated.

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<sup>13</sup> Application at ¶2.

<sup>14</sup> Declaration of Betty Young, Attachment A (Business Practices Audit Report of Advance Relocation Expert, LLC, d/b/a A.R.E. f/k/a Northwest Relocating Systems, LLC).

<sup>15</sup> *Id.*, Attachment A at page 9.

<sup>16</sup> Declaration of Betty Young, Attachment B at Appendix D.

**C. The Penalties Assessed Concerning Consignee Name on Bill of Lading Are Appropriate.**

10 In its Mitigation Request, Advance Relocation, on the issue of the consignee name not being listed on the bill of lading, states that the reasons for the errors are that business has been slow and that he [Mr. Thompson] has not been able to focus on his business.<sup>17</sup>

11 It is the position of Staff that these penalties should not be mitigated. In its audit report of March 2005, Staff advised Advance Relocation of the requirement that the consignee's name appear on the bill of lading.<sup>18</sup> Slow business and lack of focus are not mitigating factors, and thus the penalties remain appropriate.

**D. The Penalties Assessed Concerning Tariff Rates and Charges Are Appropriate.**

12 In its Application, Advance Relocation, on the issue of charging the rates and charges contained in the tariff, asks that the Commission elaborate because the company thinks it is charging as required by the tariff.<sup>19</sup>

13 Staff does not support mitigation of these penalties. In its post-audit review report, Staff did elaborate on the nature of the rates and charges violations by Advance Relocation.<sup>20</sup> During the post-audit review, one of the

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<sup>17</sup> Application at ¶3.

<sup>18</sup> Declaration of Betty Young, Attachment A at page 12.

<sup>19</sup> Application at ¶4.

<sup>20</sup> Declaration of Betty Young, Attachment B at pages 17-19.

bills of lading submitted by Advance Relocation listed a \$120.00 charge in the Packing and Packing Materials section of the bill labeled, "Truck."<sup>21</sup> There is no provision in the tariff for such a charge. The same bill of lading listed a \$21.00 charge, also in the Packing and Packing Materials section, labeled, "Surcharge," but did not identify the source of the surcharge.<sup>22</sup> Six additional bills of lading listed charges in the area marked "Transportation Valuation Charges;" however, the customer had selected basic value protection for valuation.<sup>23</sup> Tariff 15-A, Item 90(5)(a) provides that basic value protection is free; therefore the customer should not have been charged for valuation, and the penalties are appropriate.

**E. The Penalty Assessed Concerning Origin/Destination/Additional Addresses on Bills of Lading Is Appropriate.**

14 In its Application, Advance Relocation, on the issue of origin and destination addresses, states that the company "always list[s] the address of shipper from origin to destination if there was one that was omitted I apologies& promise to comply."<sup>24</sup>

15 This penalty should not be mitigated. Advance Relocation has been informed of this requirement multiple times since 2002, as outlined in Staff's audit report of March 2005.<sup>25</sup> In its compliance plan, Advance Relocation stated

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<sup>21</sup> See Declaration of Betty Young, Attachment B at page 19.

<sup>22</sup> See *Id.*, Attachment B at page 19.

<sup>23</sup> See *id.*, Attachment B at page 19.

<sup>24</sup> Application at ¶5.

<sup>25</sup> Declaration of Betty Young, Attachment A at 15 and 16.

that the company would “make sure...that (the requirement) is permanently enforced and of total compliance by latest june.”<sup>26</sup> Complete addresses for each part of a move are necessary in order for the carrier to charge appropriate rates and charges. For example, the distance from origin to destination can mean the difference between a move being rated under hourly rates (under 35 miles) or under mileage rates (over 35 miles). Advance Relocation cannot demonstrate that it charged customers appropriately without listing all of the required information on the bill of lading, including the required addresses. Therefore, this penalty is appropriate.

### III. CONCLUSION

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Staff does not support mitigating any of the assessed penalties. Accordingly, Staff requests that Advance Relocation’s Application for Mitigation of Penalties be denied.

Dated this 28<sup>th</sup> day of November 2005.

ROB MCKENNA  
Attorney General

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<sup>26</sup> Declaration of Betty Young, Attachment B at Appendix B.